

Healthcare Reform in the Trump Era: The Fate of the Patient Protection and Affordable Care Act

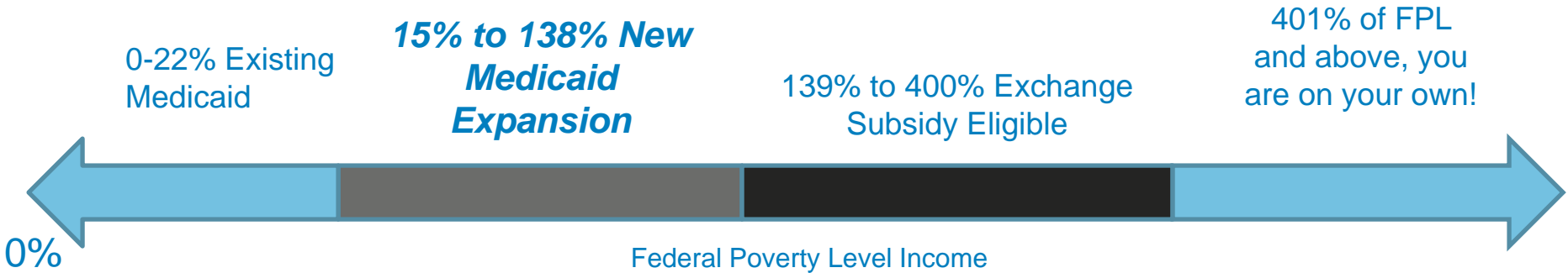
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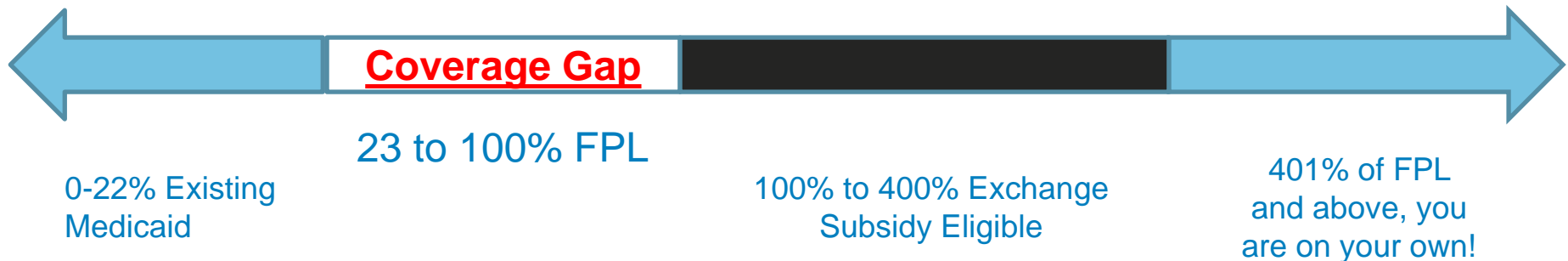
Blue Cross and Blue Shield of Louisiana is an independent licensee of the Blue Cross and Blue Shield Association and incorporated as Louisiana Health Service & Indemnity Company.

The PPACA Income Continuum



PPACA when fully enforced provides coverage and assistance for most Americans from 0 to 400% of Federal Poverty level Income

In States that Have Refused the Medicaid Expansion, you get this:



PPACA “New” Medicaid Population

- Only 1 Category and Only Income Based:
- ***Household Income of 138% of the Federal Poverty Line or less***
- Able-bodied are eligible.
- Over 440,000 enrolled (La) since 7/1/16
- 18m nationwide
- State Match for new population
 - **2014 to 2016: 0%**
 - 2017: 5%
 - 2018: 6%
 - 2019: 7%
 - 2020: 10%
 - After 2020: 10%

What Is 138% of FPL?

<u>HH Size</u>	<u>Annual</u>	<u>Monthly</u>
1	\$16,643	\$1,387
2	\$22,411	\$1,868
3	\$28,180	\$2,348
4	\$33,948	\$2,829
5	\$39,716	\$3,310
6	\$45,485	\$3,790
7	\$51,253	\$4,271
8	\$57,022	\$4,752
2017	Results	

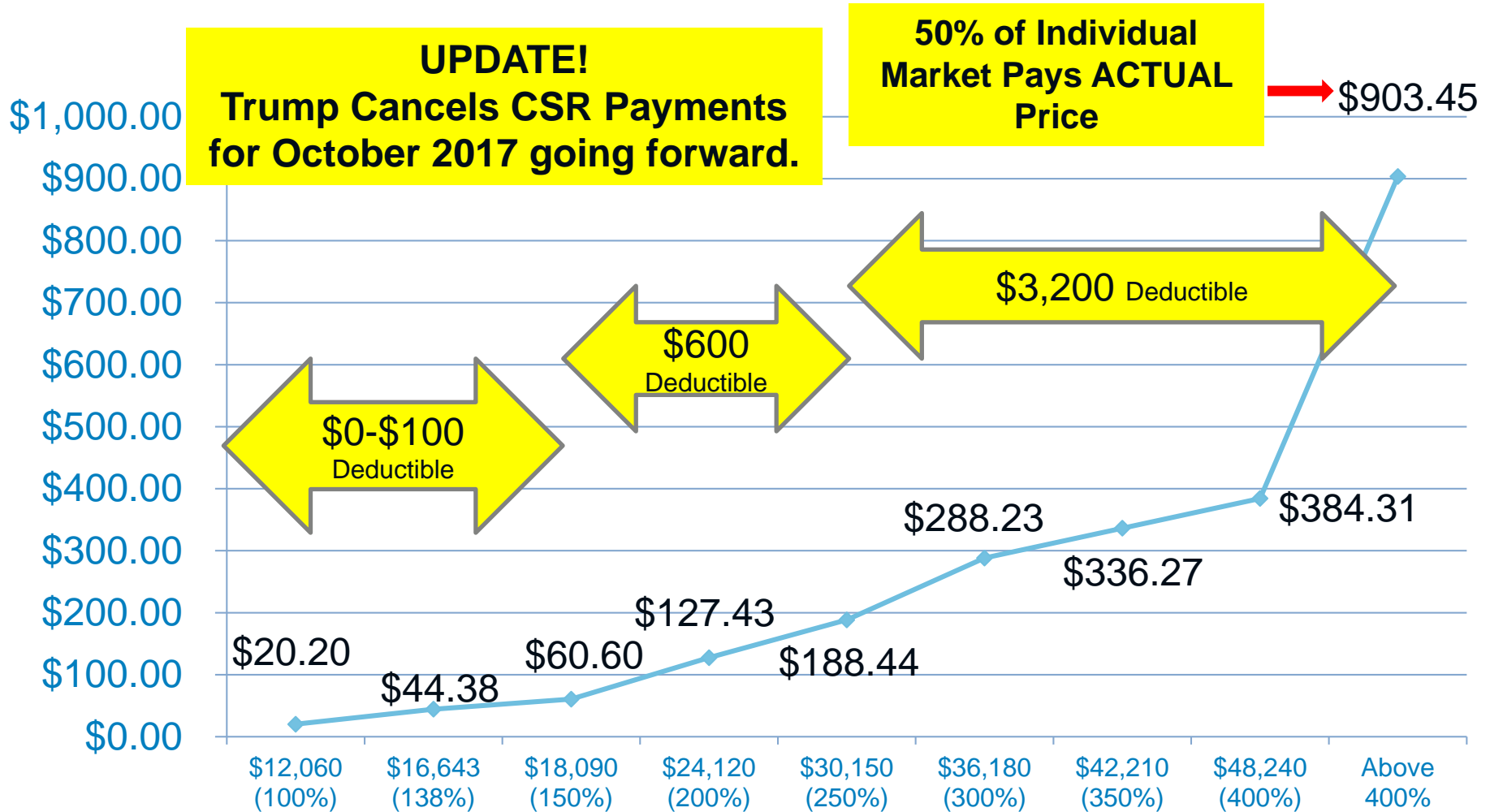
What Does it Cost To Use it?

- Medicaid has no premiums, no-copays (except an optional \$3 drug copay in certain plans), and no out of pocket spending required in Louisiana 2017.
- Most recipients are very satisfied with Medicaid (?)



How Healthcare.Gov Works 2018

(2nd Cheapest Silver Plan, 56 Yr Old, \$3,200 Deductible)



How Many Low Cost Plans? (Zip 70810)

For a 40 Year Old

Income	% of FPL	# of \$0 Premium Plans	# of Plans <\$25/month
\$16,500	138%	3	5
\$18,090	150%	3	4
\$24,120	200%	1	1

For a 21 Year old

Income	% of FPL	# of \$0 Premium Plans	# of Plans <\$25/month
\$16,500	138%	3	6
\$18,090	150%	3	5
\$24,120	200%	1	1

2017 Activity on the Affordable Care ACT



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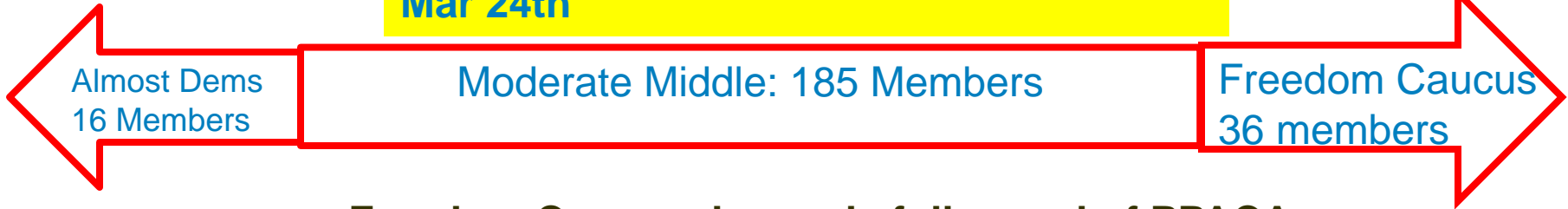
Why is Repealing/Replacing O-Care so Hard? Is the Republican Tent too Wide?

Have to have 217 Votes to Pass, at first glance, Republicans have the votes to get it done (237 total).

As Trump gives in to FC, Almost Dems leak out.

Fri Noon Trump Tells FC that's it.

Unable to get to 217 Bill is pulled Fri PM Mar 24th



Freedom Caucus demands full repeal of PPACA (Want all authority given to Federal Government to regulate Individual and Small Group Insurance markets rescinded)

Dems: 198 Members Just Say "No!"

At the End of the Day, FC says not enough repeal, AD's say throwing too many people off coverage with no assurances.

FC wants full repeal now, work on replacement "Later" (or never).

Freedom Caucus Demands vs Moderate R's Demands

- FC Demands center around reversing 2010 PPACA power shifts
- **ACA Moved lots of authority over health insurance away from the states and towards the Federal Government**
- Moderates—
 - Cannot handle the optics of millions of people losing coverage, either by reforming Medicaid or the Individual Market
 - Require PRE-X protection forever.



What Reforms were the R's considering for Business coverage?

- Removes penalties for employer mandate retro to 1/1/16

- This potentially puts the following in Question:

- 1095 reporting (replaced by W-2 information?)
- 30 hours full time
- EHB's/Benefit design
- Grandfathering status
- Business reinsurance taxes
- ALE-computations (would seem to make it irrelevant)
- 1557 determinations (Trump has supported keeping them)
- Age-rated underwriting
- Definition of "small group"

Removing Penalty starts domino effect on lots of other regulations business consider onerous

Other Proposed Group Market changes.

- Delays Cadillac Tax until 2025
- Keeps kids to age 26 on parent's plan
- Repeals small business tax credit on 1/1/2020.
- **Federal Age-ratio standard to 5:1, states allowed to set different ratio.**

What About H.S.A. Proposals?

- Allows purchase of over-the-counter drugs
- Decreases withdrawal penalty back to 10% (from 20% in ACA)
- Annual contributions increased to \$6500 single and \$13,100 family
- Catch-up contributions by both spouses at 55
- Allows backward looking payments for 60 days starting 12/31/2017
- Repeals \$2,500 FSA contribution limit

How Do R's Want to Change Medicaid?

- Ends Expansion and Closed Block as of 1/1/20
- Changed funding from No Caps to a per capita payment or closed block.
- Reduced (PPACA Increased) Fed spending by \$500-800b over 10 years
- Allowed states to put work requirement on able bodied.

NOTHING HAS CHANGED

THE ACA IS STILL THE LAW OF THE LAND,
& OPEN ENROLLMENT IS UPON US!



STRAIGHT TALK

**NOTHING
HAS
CHANGED!**

October 12, 2017: THE Executive Order

- Trump directs 3 Federal Agencies to Develop New rules to do the following:
 - Allow unrelated entities to form Associations across state lines
 - Redefine HRA's to allow business to buy individual coverage and deduct on their taxes
 - Allow short-term medical plans to last 364 days instead of 90 days (unregulated, not compliant coverage)
- Will take 3-6 months (minimum)
- Tons of Legal Challenges (ERISA)



“How’d I do Rand?”

Update: 11/16/2017 Tax Reform

- House passed their version on 11/16, **does NOT include repeal of the Individual Mandate.**
- Senate Finance Committee debating their bill now, **INCLUDES repeal of the Individual Mandate.**
 - Causes 13m fewer people to have coverage by 2027 by a combination of walking away and price increases (around 10% per year, CBO).

Impact of Individual Mandate Repeal

- Encourages Young, healthy to not buy insurance.
 - Young/Healthy already underrepresented, a lot in risk pool
 - Mandate already has lots of exemptions in place

Exemptions? We Got Plenty!

- Unaffordable Coverage (above 8% of MAGI)
- 3 month coverage gap (9 months covered)
- Income below the filing threshold
- Out of the country for 330 days last year
- Dual citizenship for an entire tax year
- A resident of a US Territory
- A citizen of a country with which the US has an income tax treaty
- Not lawfully present in the United States (undocumented immigrant)
- A non-resident alien
- Anyone who files a 1040 NR
- Member of a healthcare sharing ministry
- Member of an Indian tribe
- Incarceration for any portion of the tax year
- Member of certain religious sects recognized by the SSA as non accepting of insurance
- Two or more family members aggregate costs of employer coverage exceeds 8.05% of HH income
- **Hardship circumstance: homelessness, eviction, foreclosure, domestic violence, death of a close family member, or unpaid medical bills.**
- Unaffordable coverage based on your NEXT year's projected income.
- Declared ineligible for Medicaid because you live in a non-expansion state..
- Income below 138% of FPL
- Your prior year plan was unrenewable and that triggered affordability problems
- You were in Americorps, VISTA, or NCCC
- Resident of Disaster Areas

28 of them for
2017
Tax Filers!!!

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EXECUTIVE ORDERS

ASSOCIATION HEALTH PLANS



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MORE COST SHIFTED TO KIDS BY THE FEDS

HEALTHCARE.GOV STILL ON THE WRONG TRACK



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Storyboard
Mike Says
“Listen Up!”

SO, WHAT'S THE DEAL WITH MEDICARE AND OPEN ENROLLMENT?



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Trump's Executive Order on Healthcare:

The Process Begins



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